



Advisory Actions 2000

Department of General Services
Office of Public School Construction

July 5, 2000 - Issue 07
State Allocation Board Meeting

Executive Corner

The OPSC is pleased to announce that at the July 5, 2000 State Allocation Board (SAB) meeting, the Board apportioned over \$1.3 billion in modernization funds and \$118 million in hardship funding for modernization projects, providing critical funding for the benefit of students across the State of California. Projects receiving the second cycle of Proposition 1A modernization funding had previously received "unfunded" approvals from May 1999 to May 2000, in addition to the applications processed in date received order for the July 5, 2000 SAB meeting.



Sincerely,

Luisa M. Park
Interim Executive Officer
Office of Public School Construction

Proposed Amendments to the School Facility Program (SFP) Regulations

The SAB adopted proposed amendments to the SFP Regulations and directed OPSC to begin the regulation process with the Office of Administrative Law (OAL). The proposed amendments are summarized as follows:

New School Additional Grant Offsets

SFP Regulation Section 1859.83(c)

- The SAB approved an amendment that would ensure that when a small new school excessive cost grant was provided at a specific school site, an offset of any future SFP grants for that same school would be made to assure the funding at that school would be the same as if it had all been constructed at one time.

Special Day Class (SDC) Loading and Funding

SFP Regulation Sections 1859.51, 1859.61, 1859.71.1, 1859.72, 1859.78.3 and 1859.107.

- Prior to recent legislation, there was no specific provision in the SFP regarding pupil loading standards for SDC pupils other than that previously provided for all pupils. As a result of the legislation, the SAB adopted new regulations regarding the loading and funding for SDC pupils on an emergency basis, which are anticipated to be effective by July 20, 2000. Specific information on the proposed regulation changes can be found on the OPSC Web site:

<http://www.dgs.ca.gov/opsc>

In addition, the Interim Executive Officer reported to the SAB on SFP Regulation updates as follows:

January 2000 and Special Day Class SFP Regulation Tracks

- The January 2000 track of the SFP Regulations has been approved by the OAL and filed with the Secretary of State. This regulation track was primarily a result of the implementation of new legislation; Assembly Bill (AB) 387 and AB 695. A complete application package, which combines both the January 2000 track and Special Day Class Loading and Funding emergency regulations, is anticipated to be available by July 20, 2000.

Proposed Regulations for AB 562, Priority Points

- The proposed regulations for the implementation for AB 562, Priority Points, have been withdrawn from the OAL. It is anticipated that revisions to these regulations will be presented to the SAB at its August 23, 2000 meeting.

Modernization Plans and Specifications Certification

To ensure equitable processing of all modernization funding applications and to address concerns related to the current application process for projects that have not been reviewed by the Division of the State Architect, the SAB has approved the following actions:

1. Modernization funding applications will continue to be accepted by the OPSC, but processing to the SAB for placement on an "unfunded" list is suspended at this time.
2. Staff has been directed to review the current regulations and administrative processes and to make recommendations for change where necessary.
3. All districts with modernization funding applications on file in the current workload, and all districts which submit applications during this interim period of review, are advised that although their applications have been accepted, they will be processed to the SAB only after this regulation and process review is complete and only under regulations and administrative processes as amended.

State Relocatable Program

The SAB authorized the purchase of 400 additional relocatable classrooms to address some of the current year's need for state relocatable classrooms and to provide a small emergency inventory. For information on the State Relocatable Classroom Program, please contact Richard Sheffield, Supervisor, at (916) 322-0329, or e-mail richard.sheffield@dgs.ca.gov.

Class Size Reduction

The SAB approved a revised spending plan of \$501 million for CSR applications which were received by July 3, 2000. For specific information regarding the CSR programs, please contact Fred Yeager, consultant with the CDE, at (916) 327-7148.

Interim Financing Program has Ended

The State Treasurer's office has notified the OPSC that it has discontinued its Interim Financing ("Smart Bonds") Program for "unfunded" modernization projects. This program had provided interim funding until the July 1, 2000 Proposition 1A funds became available. Since all modernization category funds have been apportioned from the second Proposition 1A cycle and no future revenue stream is currently identified, this program is no longer available. For specific information regarding previous approvals under this program, please contact Lisa Presta, Executive Director, California School Finance Authority, at (916) 653-2913 or (213) 393-7577 or lisa.presta@treasurer.ca.gov.

Environmental Mitigation Site Acquisition

The SAB directed the OPSC to develop proposed SFP Regulation amendments to permit districts to receive SAB apportionments for agency-mandated purchases of the environmental mitigation parcels in connection with site acquisition for a new school, but only to the extent and size legally required as a condition for the purchase of the school site. The SAB affirmed that these limited conditions are also applicable to site acquisitions approved by the SAB under the Lease-Purchase Program.

Building Age Determination for Modernization Eligibility

The SAB adopted criteria for the determination of a building's age for purposes of qualifying for modernization funding. The start of the 20 (portable) and 25 (permanent) year period will be based on the date the plans for the building were approved by the Division of the State Architect, plus 18 months. If prior OPSC determination has been made that a building meets the age threshold for purposes of modernization eligibility, the age of the building will not be re-evaluated.



The Cinnamon Elementary School groundbreaking - pictured left to right are as follows: Senator Jim Costa; Board Member, Stephen Todd; former Board Member, Lynn Starrett; Parent, Renee Loewen; OPSC Project Manager, Steve Paul; Board Member, Shawn Beck; Kings County Supervisor, Tony Oliveira; Board President, Jeanette Billingsley; Board Member, Don Warkentin; Board Member, Jim Ingles; and, Superintendent, Dr. Ron Meade.

Military Base Closures Impact Study

The SAB directed staff to review the impact military base closures have on school districts and subsequently report to the SAB. The SAB Implementation Committee will be discussing this issue at a future meeting. Concerned individuals are invited to participate in these discussions and your assistance is encouraged in the development of guidelines and/or regulations if it is determined to be necessary.

Groundbreaking Ceremony

On May 19, 2000, the Lemoore Union Elementary School District held a groundbreaking ceremony to celebrate the beginning of the construction of the District's new Cinnamon Elementary School, (See picture above).

Construction Cost Indices

| Lease-Purchase Program Construction Cost Indices for June 2000 | | | |
|---|---------------------------|-----------------------------|--------------------------------|
| Class "B" Buildings | Class "D" Buildings | Furniture & Equipment | Historical Savings Index |
| 1.39 | 1.40 | 1.37 | 5.10 |

Class "B" Buildings - Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings - Constructed primarily of wood.

Furniture and Equipment - An index based on an adjustment factor obtained quarterly from Marshall & Swift Company.

Historical Savings Index - An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Status of Funds

Per July 5, 2000 State Allocation Board Meeting

| Program | Funds Available as of 5/24/00 | Apportionments and Adjustments | Balance Available as of 7/5/00 |
|------------------------|--|--------------------------------------|---|
| Proposition 1A Cycle 1 | | | |
| New Construction | \$81.2 | -\$38.7 | \$42.5 |
| Modernization | \$10.3 | -\$10.3 | -0- |
| Hardship | \$28.7 | -\$28.2 | \$0.5 |
| Class Size Reduction | \$237.5 | *-\$17.3 | \$220.2 |
| SUBTOTAL | \$357.7 | -\$94.5 | \$263.2 |
| Proposition 1A Cycle 2 | | | |
| New Construction | \$1550.0 | -0- | \$1550.0 |
| Modernization | \$1300.0 | -\$1300.0 | -0- |
| Hardship | \$500.0 | -\$107.4 | \$392.6 |
| SUBTOTAL | \$3350.0 | -\$1407.4 | \$1942.6 |
| Prior Bonds | | | |
| Contingency Reserves | \$33.5 | \$2.6 | \$36.1 |
| AB191 | \$20.0 | -0- | \$20.0 |
| Northridge Earthquake | \$1.8 | -0- | \$1.8 |
| SUBTOTAL | \$55.3 | 2.6 | \$57.9 |
| GRAND TOTAL | \$3763.0 | -\$1499.3 | \$2263.7 |

* Transferred and apportioned \$17.3 million from Class Size Reduction to Modernization.

Note: The SAB funded approximately \$3.9 million for Deferred Maintenance Program critical hardship projects, \$170,786 for Deferred Maintenance projects and \$29,090 for air-conditioning projects

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



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